

INCOMING TELEGRAM*Department of State**Secretariat*~~CONFIDENTIAL~~34
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American lawyer Laylindp engaged by GOI to advise on Helmand and Shatt questions, has left Iran for US. During his stay here he has had several conversations with Foreign Minister Aram and has written him letters embodying his recommendations which we believe Laylin will be willing make available to Department.

In general we believe Laylin has been constructive and that his suggestions have been useful.

On Helmand he has recommended an interim agreement for continued use of water by both sides without precise specification of amounts, an engineer survey of water use and supply, and eventual negotiation of a permanent agreement for development and apportionment of water supply.

RMR We do not have details of his recommendations on Shatt but believe he has advised Iranians that they do not have strong legal case for Thalweg, that under 1937 agreement they have in fact navigation rights on whole river, that if they denounced 1937 treaty they would jeopardize rights they already have, and that therefore their debt promising approach has to negotiate on basis of 1937 agreement. We did not of course know what reaction of Iranians, and particularly Shah, will be to Laylin's recommendations.

Foregoing received in confidence from Laylin and Embassy does not believe should be given further distribution since Laylin position with Iranians might be prejudiced by revelation of what may become Iranian bargaining position.

WAILES

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